AVENUE OF THE ARTS, INC.

FINANCIAL STATEMENTS

For the Years Ended December 31, 2024 and 2023

AVENUE OF THE ARTS, INC.
FINANCIAL STATEMENTS

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DEPIETTO & DEPIETTO LLC
ACCOUNTING AND TAX SERVICES

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Avenue of the Arts, Inc.
Philadelphia, Pennsylvania

Opinion

We have audited the accompanying financial statements of Avenue of the Arts, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Avenue of the Arts, Inc. as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Avenue of the Arts, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Avenue of the Arts, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Avenue of the Arts, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Avenue of the Arts, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

DePietto & DePietto, LLC

Holland, Pennsylvania
May 14, 2025

AVENUE OF THE ARTS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 584,663	$ 1,202,016
Cash and cash equivalents restricted for DCED grant obligations	159,987	348,201
Total cash, cash equivalents and restricted cash	744,650	1,550,217
Contributions and grants receivable	43,000	12,500
Prepaid expenses	4,329	1,801
Security deposit receivable	10,070	10,070
TOTAL CURRENT ASSETS	802,049	1,574,588
LONG-TERM ASSETS		
Property and Equipment		
Office equipment	31,791	31,791
Less accumulated depreciation	(31,791)	(31,791)
Total Property and Equipment	0	0
Operating lease - right of use asset	109,566	140,758
TOTAL LONG-TERM ASSETS	109,566	140,758
TOTAL ASSETS	$ 911,615	$ 1,715,346

AVENUE OF THE ARTS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

	2024	2023
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 200,971	$ 145,161
Accrued expenses	106,033	11,765
Deferred revenue	168,366	741,086
Refundable advances	159,987	348,201
Operating lease liability - short-term	31,414	30,649
TOTAL CURRENT LIABILITIES	666,771	1,276,862
LONG TERM LIABILITIES		
Operating lease liability - long-term	79,079	110,935
TOTAL LONG TERM LIABILITIES	79,079	110,935
TOTAL LIABILITES	745,850	1,387,797
NET ASSETS		
Without donor restrictions	165,765	307,062
With donor restrictions	0	20,487
TOTAL NET ASSETS	165,765	327,549
TOTAL LIABILITIES AND NET ASSETS	$ 911,615	$ 1,715,346

AVENUE OF THE ARTS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions	$ 134,621	$ 0	$ 134,621
Government Grants	1,060,934	0	1,060,934
Membership Dues	423	0	423
Miscellaneous income	903	0	903
TOTAL REVENUE AND SUPPORT	1,196,881	0	1,196,881
NET ASSETS RELEASED FROM RESTRICTIONS	20,487	(20,487)	0
TOTAL REVENUE AND SUPPORT, AND NET ASSETS RELEASED FROM RESTRICTIONS	1,217,368	(20,487)	1,196,881
EXPENSES			
Program services			
Marketing	158,991	0	158,991
Planning and Advocacy	742,643	0	742,643
Public Art, Streetscape and Maintenance	273,105	0	273,105
Friends of the Avenue and Other Events	720	0	720
Total program services	1,175,459	0	1,175,459
Supporting services			
Management and general	150,438	0	150,438
Development	66,364	0	66,364
Total supporting services	216,802	0	216,802
TOTAL EXPENSES	1,392,261	0	1,392,261
CHANGE IN NET ASSETS FROM OPERATIONS	(174,893)	(20,487)	(195,380)
NONOPERATING ACTIVITIES:			
Interest Income	33,596	0	33,596
Total nonoperating activities	33,596	0	33,596
CHANGE IN NET ASSETS	(141,297)	(20,487)	(161,784)
NET ASSETS AT BEGINNING OF YEAR	307,062	20,487	327,549
NET ASSETS AT END OF YEAR	$ 165,765	$ 0	$ 165,765

AVENUE OF THE ARTS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions	$ 43,686	$ 90,000	$ 133,686
Contributions - In-kind	10,000	0	10,000
Event Tickets	6,535	0	6,535
Fundraising Event Revenue	203,375	0	203,375
Government Grants	644,503	0	644,503
Membership Dues	5,414	0	5,414
Miscellaneous Income	43	0	43
TOTAL REVENUE AND SUPPORT	913,556	90,000	1,003,556
NET ASSETS RELEASED FROM RESTRICTIONS	79,513	(79,513)	0
TOTAL REVENUE AND SUPPORT, AND NET ASSETS RELEASED FROM RESTRICTIONS	993,069	10,487	1,003,556
EXPENSES			
Program services			
Marketing	71,167	0	71,167
Planning and Advocacy	239,227	0	239,227
Public Art, Streetscape and Maintenance	327,297	0	327,297
Friends of the Avenue and Other Events	14,843	0	14,843
Total program services	652,534	0	652,534
Supporting services			
Management and general	128,976	0	128,976
Development	154,753	0	154,753
Total supporting services	283,729	0	283,729
TOTAL EXPENSES	936,263	0	936,263
CHANGE IN NET ASSETS FROM OPERATIONS	56,806	10,487	67,293
NONOPERATING ACTIVITIES:			
Interest Income	6,335	0	6,335
Total nonoperating activities	6,335	0	6,335
CHANGE IN NET ASSETS	63,141	10,487	73,628
NET ASSETS AT BEGINNING OF YEAR	243,921	10,000	253,921
NET ASSETS AT END OF YEAR	$ 307,062	$ 20,487	$ 327,549

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

AVENUE OF THE ARTS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ (161,784)	$ 73,628
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Amortization of right of use asset	101	826
(Increase) decrease in operating assets		
Contributions and grants receivable	(30,500)	21,000
Unbilled revenue	0	3,928
Prepaid expenses	(2,528)	4,279
Security deposit receivable	0	(10,070)
Increase (decrease) in operating liabilities		
Accounts payable	55,810	87,245
Accrued expenses	94,268	(1,335)
Deferred revenue	(572,720)	341,596
Refundable advances	(188,214)	59,974
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(805,567)	581,071
NET INCREASE (DECREASE) IN CASH	(805,567)	581,071
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,550,217	969,146
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR	$ 744,650	$ 1,550,217

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AVENUE OF THE ARTS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	PROGRAM SERVICES					SUPPORT SERVICES			
	MARKETING	ADVOCACY & PLANNING	PUBLIC ART, STREETSCAPE & MAINTENANCE	FRIENDS OF THE AVENUE AND OTHER EVENTS	TOTAL PROGRAM SERVICES	MGMT AND GENERAL	DEVELOPMENT AND FUNDRAISING	TOTAL SUPPORT SERVICES	TOTAL EXPENSES 2024
Payroll, payroll taxes and benefits	$ 48,629	$ 41,028	$ 16,411	$ 0	$ 106,068	$ 71,484	$ 41,028	$ 112,512	$ 218,580
Bank and finance charges	580	0	0	20	600	3,323	500	3,823	4,423
Donation expense	0	1,000	0	0	1,000	0	500	500	1,500
Insurance	833	667	267	0	1,767	1,246	667	1,913	3,680
Memberships and subscriptions	605	0	0	0	605	3,450	165	3,615	4,220
Miscellaneous expenses	0	0	0	0	0	200	0	200	200
Office supplies and expenses	4,486	1,899	75,272	0	81,657	9,083	3,969	13,052	94,709
Professional fees	0	117,538	0	0	117,538	46,395	0	46,395	163,933
Program costs	92,823	573,178	178,563	700	845,264	0	0	0	845,264
Rent and utilities	8,094	6,479	2,592	0	17,165	12,072	6,479	18,551	35,716
Special events	0	0	0	0	0	0	461	461	461
Travel and training meetings	2,941	854	0	0	3,795	3,185	12,595	15,780	19,575
TOTAL EXPENSES	$ 158,991	$ 742,643	$ 273,105	$ 720	$ 1,175,459	$ 150,438	$ 66,364	$ 216,802	$ 1,392,261
% to Total Expenses	11%	53%	20%	0%	84%	11%	5%	16%	100%

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

AVENUE OF THE ARTS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	PROGRAM SERVICES					SUPPORT SERVICES			
	MARKETING	PLANNING & ADVOCACY	PUBLIC ART, STREETSCAPE & MAINTENANCE	FRIENDS OF THE AVENUE AND OTHER EVENTS	TOTAL PROGRAM SERVICES	MGMT AND GENERAL	DEVELOPMENT AND FUNDRAISING	TOTAL SUPPORT SERVICES	TOTAL EXPENSES 2023
Payroll, payroll taxes and benefits	$ 37,399	$ 36,387	$ 14,555	$ 2,763	$ 91,104	$ 75,023	$ 44,174	$ 119,197	$ 210,301
Advertising	500	0	0	0	500	0	0	0	500
Bad debt expense	0	0	0	0	0	0	4,000	4,000	4,000
Bank and finance charges	0	0	0	1,054	1,054	623	5	628	1,682
Insurance	578	577	231	39	1,425	972	694	1,666	3,091
Memberships and subscriptions	605	0	0	0	605	1,732	0	1,732	2,337
Office supplies and expenses	2,908	3,027	1,210	2,863	10,008	6,304	4,209	10,513	20,521
Professional fees	0	60,300	0	0	60,300	30,738	0	30,738	91,038
Program expenses	20,761	129,682	226,002	7,741	384,186	0	92,414	92,414	476,600
Rent and utilities	3,654	3,480	1,392	291	8,817	6,555	4,351	10,906	19,723
Rent - donated	1,908	2,038	815	92	4,853	2,832	2,315	5,147	10,000
Special board project - repair lampposts	0	0	83,063	0	83,063	0	0	0	83,063
Travel and training meetings	2,854	3,736	29	0	6,619	4,197	2,591	6,788	13,407
TOTAL EXPENSES	$ 71,167	$ 239,227	$ 327,297	$ 14,843	$ 652,534	$ 128,976	$ 154,753	$ 283,729	$ 936,263
% to Total Expenses	8%	26%	35%	2%	70%	14%	17%	30%	100%

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES

Avenue of the Arts, Inc. (the “Organization”) is a nonprofit organization founded in 1993 to promote the development, beautification, and marketing of the Avenue of the Arts. AAI has played an important role in transforming South Broad Street from City Hall to Washington Avenue into a vibrant and growing destination where people go to live, work, shop, play, and learn. The Avenue of the Arts is an important entertainment center for Philadelphia and the region. It is truly one of the most successful cultural, residential, commercial, educational and tourist locales in the United States.

Our primary mission is advocacy for the interests of the Avenue of the Arts stakeholders on issues ranging from strategic planning to marketing and place making in support of the economic and cultural vitality of this great street.

SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions**:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Measure of operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing program services and interest and dividends earned on money market and savings accounts. Non-operating activities, if any, are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting
The Organization's policy is to prepare its financial statements using the accrual basis of accounting which is in accordance with accounting principles generally accepted in the United States of America.

Contributions
Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Property and Equipment and Depreciation
The Organization follows the practice of capitalizing all expenditures for capital assets in excess of $1,000. These assets are recorded at cost on the date of acquisition. The assets are depreciated on a straight-line basis over their estimated useful lives. Routine repairs and maintenance are expensed as incurred.

Use of Estimates
The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Tax Status
The Organization is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less), if any. Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Payroll, payroll taxes and employee benefits	Hours worked
Bank and finance charges	Monthly Salary Allocation
Insurance	Monthly Salary Allocation
Memberships and subscriptions	Monthly Salary Allocation
Miscellaneous expenses	Monthly Salary Allocation
Office supplies and expenses	Monthly Salary Allocation
Rent and utilities	Monthly Salary Allocation
Rent – donated	Monthly Salary Allocation

Allowance for Doubtful Accounts

The Organization does not maintain an allowance for doubtful accounts, as all accounts receivable are collected in full. Historically, the Organization has experienced no credit losses, and management believes that all outstanding receivables are fully realizable. Accordingly, no reserve for doubtful accounts has been established.

Reclassifications

Certain amounts in the December 31, 2023 financial statements have been reclassified to conform to the presentation in the December 31, 2024 financial statements.

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adopted Accounting Guidance in 2023

Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, *Leases*) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The standard became effective for private entities with annual reporting periods beginning after December 15, 2021. Although the standard became effective January 1, 2022 for all private, calendar year entities, the Organization did not have any long-term operating leases to report on in 2022.

The Organization adopted the standard effective June 1, 2023, when the lease with the lessor commenced, and recognized and measured the lease existing on June 1, 2023 (the beginning period of adoption). Lease disclosures for the year ended December 31, 2022 were made under prior lease guidance in FASB ASC 840.

As a result of the adoption of the new lease accounting guidance, the Organization recognized a right-of-use asset of $155,532 and a lease liability of $155,532 in its statement of financial position as of June 1, 2023. The adoption did not result in a significant effect on amounts reported in the statement of activities.

NOTE 2 – CASH, CASH EQUIVALENTS AND RESTRICTED CASH

Cash and cash equivalents

For purposes of the statement of financial position and the statement of cash flows, cash and cash equivalents consist of cash and other highly liquid resources, such as investment in money market funds, with an original maturity of three months or less when purchased.

The following is the composition of the combined amounts appearing in the financial statements.

	2024	2023
Cash and cash equivalents	$584,663	$1,202,016

NOTE 2 – CASH, CASH EQUIVALENTS AND RESTRICTED CASH (CONTINUED)

Restricted cash

The Organization received three Marketing to Attract Tourists Grant Contracts from the Commonwealth of Pennsylvania Department of Community and Economic Development ("DCED"). DCED Grant Number C000080403 for $500,000 had a term from July 1, 2021 to June 30, 2024. DCED Grant Number C000084535 for $500,000 had a term from January 1, 2023 to December 31, 2024. DCED Grant Number C000088479 for $300,000 has a term from July 1, 2023 to June 30, 2025. This grant was received in 2024.

The following is the composition of the restricted cash amounts appearing in the financial statements.

	2024	2023
Grant Number C000080403	$ 0	$ 40,890
Grant Number C000084535	0	307,311
Grant Number C000088479	159,987	0
	$159,987	$348,201

NOTE 3 – DATE OF MANAGEMENT'S REVIEW

Subsequent events have been evaluated through May 14, 2025, which is the date the financial statements were available to be issued.

NOTE 4 – CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash.

The Organization maintains its cash and money market funds in several financial institutions. Cash accounts and money market accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. The Organization had uninsured funds on December 31, 2024 and 2023 of $494,650 and $1,299,458, respectively. While the Organization's accounts exceed the federally insured limits, the Organization believes it is not exposed to any significant credit risk on uninsured cash and money market funds at any time.

Bank deposits

All bank deposits are classified as to credit risk by the three categories. **Category 1** consists of bank deposits insured or collateralized with securities held by the Organization of in the Organization's name by its agent. **Category 2** consists of bank deposits collateralized with securities held by pledging public depository's trust department or agent in the Organization's name. **Category 3** includes uncollateralized deposits including any deposits that are collateralized with securities held by the pledging public depository or by its trust department or agent but not in the Organization's name. On December 31, 2024 and 2023, the Organization's deposits of $744,650 and $1,550,217, respectively, are classified as Category 1 deposits.

NOTE 5 – CONTRIBUTIONS AND GRANTS RECEIVABLE

Contributions and grants receivable on December 31, 2024 and 2023 are as follows:

	2024	2023
Receivable in less than one year	$43,000	$12,500
Total contributions receivable	$43,000	$12,500

NOTE 6 – NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions were as follows for the years ended December 31, 2024 and 2023:

	2024	2023
Without Donor Restrictions	$165,765	$307,062

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were as follows for the years ended December 31, 2024 and 2023:

	2024	2023
Lamppost Repair Project	$ 0	$20,487
	$ 0	$20,487

NOTE 8 – CONTRIBUTIONS IN-KIND - DONATED RENT

Effective June 1, 2021, Dranoff Properties, Inc. (“DPI”) agreed to donate office space to the Organization for the fair market value of $2,500 per month. In lieu of monthly rental payments, at the end of each calendar year, the Organization issued a letter to DPI detailing the value of the abated monthly rent as a charitable contribution of DPI. DPI provided electric, heat and water at no additional cost. The Organization was permitted to use DPI’s Guest WIFI. Telephone service was excluded. This agreement ceased as of April 30, 2023. As of December 31, 2024 and 2023, the amount of donated rent was $0 and $10,000, respectively.

NOTE 9 – GOVERNMENT GRANTS

Commonwealth of Pennsylvania Department of Community and Economic Development ("DCED"):

DCED Grant Number C000080403

In 2021, the Organization received a $500,000 Marketing to Attract Tourists Grant Contract from the Commonwealth of Pennsylvania Department of Community and Economic Development ("DCED"). DCED Grant Number C000080403 has a term from July 1, 2021 to June 30, 2024. As of December 31, 2021, the Organization had received the entire $500,000 for the grant as was recognized as a refundable advance on the balance sheet.

As of December 31, 2024, 2023 and 2022, $40,890, $247,338 and $211,772 of Grant Number C000080403 had been recognized as revenue, respectively. As of December 31, 2024, the balance of the grant was expended in accordance with the contract.

DCED Grant Number C000084138

On January 12, 2022, the Organization received a $50,000 Marketing to Attract Tourists Grant Contract from the Commonwealth of Pennsylvania Department of Community and Economic Development ("DCED") Grant Number C000084138 with a term from July 1, 2022 to December 31, 2023. As of December 31, 2022, $3,927 of this grant was recorded as unbilled revenue on the balance sheet and grant revenue on the statement of activities. As of December 31, 2023, the balance of the grant was expended in accordance with the contract.

DCED Grant Number C000084535

On May 19, 2023, the Organization received a $500,000 Marketing to Attract Tourists Grant Contract from the Commonwealth of Pennsylvania Department of Community and Economic Development ("DCED") Grant Number C000084535 with a term from January 1, 2023 to December 31, 2024. As of December 31, 2023, $192,688 of this grant was recognized as grant revenue on the statement of activities and the unexpended balance of $307,312 was recognized as refundable advances on the balance sheet. As of December 31, 2024, the balance of the grant was expended in accordance with the contract.

DCED Grant Number C000088479

In June 2024 and July 2024, the Organization received a $300,000 Marketing to Attract Tourists Grant Contract from the Commonwealth of Pennsylvania Department of Community and Economic Development ("DCED") Grant Number C000088479 with a term from July 1, 2023 to June 30, 2025. As of December 31, 2024, $140,013 of this grant was recognized as grant revenue on the statement of activities and the unexpended balance of $159,987 was recognized as refundable advances on the balance sheet.

NOTE 9 – GOVERNMENT GRANTS (CONTINUED)

City of Philadelphia

In August 2022, the Organization received a $500,000 unrestricted contribution from the City of Philadelphia. In August 2023, the Organization received an additional $500,000 unrestricted contribution from the City of Philadelphia. For the years ended December 31, 2024, 2023 and 2022, $572,720, $158,404 and $100,510, was recognized as revenue, respectively. As of December 31, 2024, 2023 and 2022, $168,366, $741,086 and $399,490, was deferred to offset future expenses, respectively.

Included in government grants revenue on December 31, 2024 and 2023 are the following:

	2024	2023
DCED Grant Number C000088479	$ 140,013	$ 0
DCED Grant Number C000080403	40,890	247,338
DCED Grant Number C000084138	0	46,073
DCED Grant Number C000084535	307,311	192,688
City of Philadelphia	572,720	158,404
	$ 1,060,934	$ 644,503

NOTE 10 – LEASE OBLIGATION

The Organization evaluated current contracts to determine which met the criteria of a lease. The right-of-use (ROU) assets represent the Organization's right to use underlying assets for the lease term, and the lease liabilities represent the Organization's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The Organization has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liabilities as of June 1, 2023, was 1.55%.

The Organization's operating lease consists of a real estate lease for 1,060 square feet of office space on a portion of the twenty-third floor of the building located at 123 South Broad Street, Condominium Unit 2, in Philadelphia, Pennsylvania. One lease term of sixty-two (62) months, includes a three-year extension, available at the Organization's option, which is not reasonably certain to exercise. Therefore, the payments associated with the extension are not included in the ROU asset nor the lease liability recognized as of June 1, 2023.

NOTE 10 – LEASE OBLIGATION (CONTINUED)

For the years ending December 31, 2024 and 2023, total operating lease cost was $29,684 and $18,556, respectively. As of December 31, 2024 and 2023, the weighted-average remaining lease term for the Organization's operating lease was approximately 3 ½ and 4 ½ years, respectively.

Cash paid for operating leases for the years ending December 31, 2024 and 2023, was $28,132 and $16,486, respectively. There were no noncash investing and financing transactions related to leasing other than the transition entry described in Note 1.

Future maturities of lease liabilities are presented in the following table, for the fiscal year ending December 31:

2025	$31,414
2026	32,200
2027	33,008
2028	19,592
Thereafter	0
Total lease payments	116,214
Less present value discount	(5,721)
Total lease obligations	$110,493

NOTE 11 – AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets on December 31, 2024 and 2023:

	2024	2023
Financial assets at year-end:		
Cash and cash equivalents	$584,663	$1,202,016
Contributions and grants receivable	43,000	12,500
Total financial assets	627,663	1,214,516
Less amounts not available to be used within one year:		
Net assets with donor restrictions	0	20,487
Financial assets available to meet cash needs for general expenditures over the next twelve months	$627,663	$1,194,029

The Organization maintains financial assets for operating expenses in checking accounts. As part of its liquidity plan, from time to time, excess cash is invested in money market accounts at various financial institutions.

NOTE 12 – RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters.

Property and Liability Insurance
The Organization maintains commercial insurance coverage for property, liability and surety bonds.

NOTE 13 – LITIGATION

As of the date of this report there is no litigation pending which, if decided adversely to the Organization would have a material impact on the Organization.

NOTE 14 – SUBSEQUENT EVENT

On March 5, 2025, the Commonwealth of Pennsylvania Department of Community and Economic Development ("DCED") awarded the Organization a $250,000 Marketing Initiatives Program Grant under Contract Number C000092874. The term of the contract is January 1, 2025 to December 31, 2026. The project costs per the grant budget include $25,000 for promotion costs, $125,000 for general program administration and operating costs and $100,000 for landscaping and cleaning.

No funds were received or expended in 2024.